

# **Title Guaranty Division Telephonic Board Meeting Minutes**

**February 23, 2006**

**Board Members Present:**

Walter Murphy (by phone)  
Berneil Preul (by phone)  
Mitchell Taylor (by phone)

**Staff Members Present:**

Loyd Ogle, Title Guaranty Director  
Joanna Wilson, TGD Senior Underwriter  
Susan Riedinger,  
Administrative Assistant

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## **Call to Order**

Chairman Mitch Taylor called the February 23, 2006, telephonic meeting of the Title Guaranty Board of Directors to order at 3:35 p.m.

## **Approval of Premium on Non-Purchase Product**

Mr. Ogle read the following resolution on the non-purchase product premium:

WHEREAS, the Iowa Title Guaranty Board (the "Board"), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa, as amended, works to operate a program to offer guaranties of real property titles in order to provide a low-cost mechanism to facilitate mortgage lenders' participation in the secondary market and to add to the integrity of the land-title transfer system in the State of Iowa; and

WHEREAS, the administrative rules governing the Title Guaranty program state that the Board shall fix the fees or rates for the title guaranty program by resolution and may change the same from time to time in the same manner; and

WHEREAS, the Board's staff has recommended that the Board adopt new rates related to the issuance of the non-purchase product;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Title Guaranty Division of the Iowa Finance Authority as follows:

SECTION 1. The Board hereby amends the current premium rate structure to set the premium charge at \$90 for the nonpurchase product Certificate, all other fees and charges remaining unchanged.

SECTION 2. The Board authorizes the Director and Title Guaranty Division staff to work with the Iowa Finance Authority to publicize and market the new rates and the products to which they apply.

Mr. Taylor asked if the Iowa Finance Authority Board approved the new rules. Mr. Ogle said the IFA Board approved the Administrative Rules. The forms, instructions, and rates are set by the TGD Board, not by IFA.

Mr. Taylor said the only discussion he heard about the rates is whether abstractors are entitled to do this. Mr. Ogle said under this program, approved abstractors have to do the title search, and the attorney still does the title opinion or certificate.

Motion: On a motion by Mr. Murphy, seconded by Ms. Preul, the Board unanimously approved the premium amount for the non-purchase product by resolution.

### **Approval of Forms and Instructions on Non-Purchase Product**

Mr. Ogle said they worked extensively with abstractors, attorneys, and lenders in the field developing the forms and instructions. The one thing that deviates slightly from the forms and instructions the Board was given is that the document entitled Title Guaranty Report of Title – Post Closing Search makes reference to the “last recorded Warranty Deed.” The word “Warranty” needs to be stricken so it just reads “last recorded Deed.”

Motion: On a motion by Ms. Preul, seconded by Mr. Murphy, the Board unanimously approved the forms and instructions with the abovementioned amendment.

Mr. Ogle noted that the Division wants to implement this new program March 1, 2006. Wells Fargo is moving all their business back to the Division, and this program needed to be in place by March 1 so the Division can capture back the refinance activity.

### **Review of Proposed Rules—Abstractor-Issuance Program**

Mr. Ogle discussed the proposed abstractor-issuance program. Mr. Ogle proposed that IFA would notice rules that would allow the Division to begin the work to develop a program where, under certain conditions, abstractors could issue certificates and receive the same type of compensation that attorneys currently receive. Noticing rules by the IFA Board would be the first step. For the Division to adopt rules in final form, a lot of details will have to be worked out. This concept has been introduced to the Real Estate Section of the Bar. Mr. Ogle believes that once safeguards are established, the Bar will be amenable to this. The Iowa Land Title Association has wanted this program for some time.

Mr. Ogle explained that in order for an abstractor to issue a certificate based on the title opinion, the attorney writing the opinion must consent to the abstractor issuing the certificate based on that work. There must be a healthy working relationship between attorney and abstractor because the abstractor is not in a position to make legal judgments as to status of title. If any issues come up, the abstractor must consult the attorney who wrote the title opinion on how to deal with issues regarding status of title. Mr. Ogle said a number of abstractors are doing closings and funneling that work to title insurance. With this program, the abstractors will switch to Title Guaranty.

### **Adjournment**

Motion: On a motion by Mr. Murphy, seconded by Ms. Preul, the Board unanimously voted to adjourn at 3:50 p.m.

Dated this 6<sup>th</sup> day of June, 2006,

Respectively submitted:

Loyd W. Ogle, Director  
Title Guaranty Division

Approved as to form:

Mitch Taylor, Chair  
Title Guaranty Division